

This record is a partial extract of the original cable. The full text of the original cable is not available.

UNCLAS ABUJA 001918

SIPDIS

STATE FOR AF/W, EB/CBA AND EB/OIA
COMMERCE ALSO FOR ADVOCACY CENTER

E.O. 12958: N/A

TAGS: [ETRD](#) [ECON](#) [EINV](#) [NI](#)

SUBJECT: NIGERIA: SECRETARY EVANS LETTER TO PRESIDENT
OBASANJO SUPPORTING PROCTER & GAMBLE

REF: (A) USDOC 4307 (B) WALLACE-KAPLAN EMAILS 7/17-
7/18/01

1. Action request, para 4.

2. Department of Commerce requested Post input on the efficacy of sending a Secretarial letter on behalf of Proctor & Gamble (P&G) to President Obasanjo. The Mission believes P&G's interests would be best served by approaching Chief Kolawole Babalola Jamodu, Minister of Industries, who remains the primary force behind GON reticence to meet all of P&G's requests. President Obasanjo on several occasions has expressed displeasure with being drawn into commercial issues and has made it clear that, in this case, he will act upon the recommendation of his Minister.

3. Moreover, any message delivered to the GON should explain how P&G's investment in Nigeria will assist the country to revitalize its manufacturing sector. Nigeria seeks more foreign investment, but not at the cost of its existing, rather limited manufacturing base. Unfortunately, P&G's domestic competition can readily portray a tariff reduction on European-manufactured Ariel detergent as an attack on domestic Umo-brand detergent production. P&G's Nigerian partner reportedly concurs in our view that a letter from Secretary Evans to President Obasanjo would not be helpful.

SIPDIS

4. Mission therefore recommends that Secretary Evans send a letter instead to his counterpart Minister Jamodu and that the letter to President Obasanjo not be delivered. Mission offers a proposed text in para 5, which might serve as the basis for a final letter by the Secretary. Please advise.

5. Begin Text of Letter:

Dear Mr. Minister:

I wish to bring to your direct attention an important opportunity for Nigeria to raise its profile with potential investors in the manufacturing sector. As you are aware, the U.S. firm Procter & Gamble is currently discussing with the Nigerian Government a proposal to upgrade its production facilities in Ibadan that would generate substantial employment in your country. To make that investment financially viable, Procter & Gamble seeks duty reductions on certain equipment and raw materials for its proposed manufacturing plant, and on one finished product, Ariel detergent.

In the past, Nigerian-made products could be found abundantly throughout West and Central Africa. Procter & Gamble's proposal offers an opportunity towards restoration of Nigeria's regional manufacturing dominance. The liberalization sought would contribute both to creating a more competitive marketplace in Nigeria and to expanding Nigeria's exports to other countries.

Mr. Minister, as you have pointed out many times, attracting non-oil investment is vitally important to create meaningful employment and diversify the Nigerian economy. I understand your government has already agreed to some of Procter & Gamble's duty reduction proposals. We would strongly urge Nigeria to look favorably on the remaining requests. These changes would benefit ordinary Nigerian citizens by providing and expanding the market for high-quality, competitively-priced products. They would also send a strong, positive signal to investors that the moment has arrived to invest in Nigerian manufacturing. A robust and

growing manufacturing sector will position Nigeria to take fullest advantage of trade liberalization and of specific trade preferences for developing countries, such as the African Growth and Opportunity Act.

In closing, I again urge you to look favorably on Procter & Gamble,s requests. This win-win situation would constitute a valuable vote of confidence in Nigeria and would be interpreted positively by the international business community.

Sincerely yours,
Donald L. Evans

End text of letter
Jeter